

Message Text

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ACTION ARA-20

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03

NSAE-00 NSC-07 PA-04 RSC-01 PRS-01 SP-03 SS-20

USIA-15 SCI-06 NASA-04 IO-14 AID-20 EB-11 COME-00

AGR-20 SWF-02 DRC-01 /173 W
----- 072754

R 291403Z MAY 74

FM AMEMBASSY TEGUCIGALPA

TO SECSTATE WASHDC 7206

INFO AMEMBASSY GUATEMALA

AMEMBASSY SAN SALVADOR

AMEMBASSY SAN JOSE

AMEMBASSY MANAGUA

CINCSOUTH

C O N F I D E N T I A L TEGUCIGALPA 2245

E.O. 11652: GDS

TAGS: PFOR, HO

SUBJECT: CONVERSATION WITH CHIEF OF STATE

BEGIN SUMMARY. DURING A ONE AND ONE-HALF HOUR MEETING WITH CHIEF OF STATE LOPEZ THIS MORNING (MAY 28TH) THE GENERAL (A) THANKED US PROFUSELY FOR THE DELIVERY OF THE APOLLO MISSION MOON ROCK DISPLAY SENT BY PRESIDENT NIXON; (B) INFORMED ME THAT HE HAD FIELDDED A SPECIAL COMMISSION TO REPRESENT THE GOH IN CONTINUED DIALOG WITH THE BANANA COMPANIES ON THE SUBJECT OF THE MUCH DISCUSSED BANANA TAX; (C) TOLD ME OF TWO RECENT MEETINGS WITH GENERAL SOMOZA (ONE AS LATE AS YESTERDAY MORNING) IN WHICH AGREEMENT WAS REACHED TO POSTPONE THE MUCH PUBLICIZED JALAPA SUMMIT MEETING; (D) TOLD ME OF A RAPIDLY CALLED SECRET MISSION WHEREBY HONDURAS FOREIGN MINISTER BATRES AND THE SALVADORAN FOREIGN MINISTER WERE DISPATCHED TO MANAGUA YESTERDAY JOINTLY TO WORK OUT A STATEMENT EXPRESSING THE REASONS FOR THE JALAPA DELAY; (E) EXPRESSED CONTINUED FRUSTRATION OVER THE OCCASIONAL ATTACKS
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BY THE PRESS DIRECTED AGAINST EITHER HIS CABINET MEMBERS OF THE

NATIONAL DEVELOPMENT PLAN BUT STATE THAT IN THE OVERALL HIS GOVERNMENT HAD CONFRONTED FEWER DIFFICULTIES THAN THEY ORIGINALLY ANTICIPATED;

(F) STATED THAT HE FORESAW NO IMMEDIATE CHANGES IN THE CABINET.

END SUMMARY

1. SESSION WAS REQUESTED BY AMBASSADOR OSTENSIBLY TO PRESENT, AT LONG LAST, THE MOONROCK SAMPLE WHICH HAD BEEN STORED IN EMBASSY SAFE FOR ALMOST A YEAR. I USED THE OCCASION TO COVER A WIDE RANGE OF SUBJECTS.

2. GENERAL LOPEZ SEEMED OPEN AND QUITE DISPOSED TO TALK VIRTUALLY CONVERTING THE SESSION INTO A PROTRACTED MONOLOGUE. HIS EXPRESSIONS OF APPRECIATION OVER THE MOON ROCK PRESENTATION GLIDED INTO EFFUSIVE PRAISE FOR USG OVER WHAT HE TERMED "THE LARGEST AND THE BEST THOUGHT OUT PACKAGE OF ASSISTANCE EVER TO COME TO HIS ATTENTION IN ALL HIS YEARS OF PUBLIC LIFE." HE HAD MUCH PRAISE FOR SECRETARY KISSINGER'S ACCOMPLISHMENTS, FOR WHAT HE PERCEIVED AS THE NEW USG POLICY TOWARD LATIN AMERICA, AND FOR THE "WORKING STYLE AND POLICIES" OF THE U.S. MISSION OFFICIALS HERE.

3. GENERAL LOPEZ EXPRESSED GREAT DISAPPOINTMENT OVER THE COLLAPSE OF THE JALAPA TALKS. HE SAID THAT ALTHOUGH FONMIN BATRES HAD HURRIEDLY BEEN SENT OFF TO MANAGUA TO DEVELOP A JOINT STATEMENT WITH THE GOES HE FEARED THAT THE DELAY WOULD ACTUALLY BE INDEFINITE BECAUSE HE WAS NOW OF THE OPINION THAT THE GOES WILL NEVER AGREE TO LIMITING THE DISCUSSIONS TO THE SUBJECT OF THE SIX DISPUTED BORDER POCKETS (BOLSONES). HE SAID THAT EL SALVADOR APPARENTLY IS INTRANSIGENT ON THE SUBJECT OF THE BORDER, DEMANDING THAT ENTIRE BORDER BE RE-OPENED TO NEGOTIATIONS. GENERAL LOPEZ CALLED THIS ABSOLUTELY UN-ACCEPTABLE. COMMENT: GENERAL LOPEZ APPARENTLY KNOWS HE WOULD BE UNABLE TO SELL TO HIS PEOPLE THE IDEA OF GIVE AND TAKE WHEN IT COMES TO THOSE AREAS OF THE BORDER NOT CURRENTLY IN DISPUTE.

4. GENERAL LOPEZ SAID THAT OCCASIONAL PROBLEMS AT THE DISPUTED BORDER POCKETS HAVE BEEN HANDLED BY "PATIENCE" ON THE PART OF BOTH ARMIES. HOWEVER, IF INCIDENTS SPREAD ALONG THE ENTIRE BORDER, THE SITUATION COULD BECOME UNMANAGEABLE; POSSIBLY EVEN TRIGGER A NEW OUTBREAK OF ARMED CONFLICT.

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5. GENERAL LOPEZ SAID THAT BOTH SIDES HAD ALSO DONE VERY WELL IN TONING DOWN PRESS ACCOUNTS OF INCIDENTS AT THE DISPUTED POCKETS AT THE BORDER. HE SAID THAT OFTEN ON PAY DAYS EITHER SIDE FINDS IT NECESSARY TO DETAIN TEMPORARILY A DRUNKEN SOLDIER WHO WANDERS AWAY FROM POST. HE IS CONCERNED, HOWEVER, OVER A CURRENT INCIDENT WHICH A DETAINED HONDURAN SOLDIER IS BELIEVED TO HAVE BEEN MURDERED IN CAPTIVITY. GENERAL LOPEZ PLANS TO LOOK INTO THIS MATTER PERSONALLY.

6. ON THE SUBJECT OF THE FRUIT COMPANIES THE GENERAL FEELS THAT THE ENTIRE MATTER IS STILL OPEN TO CONTINUED DIALOG. WITHOUT MUCH PROMPTING FROM ME HE CONCEDED THAT A UNIFORM LEVY ISSUED BY AN ARRAY OF INDEPENDENT AND DIFFERENT NATIONS INVOLVES SOME PRACTICAL DIFFICULTIES; SOME, INSUPERABLE. HE LITERALLY CHOKED ON HIS CIGAR WHILE LAUGHING OVER THE PREDICAMENT OF COSTA RICA WHERE HE SAID "ODUBER OPENED HIS MTKEH AT THE WRONG TIME AND STANDARD FRUIT CALLED HIS BLUFF". HE SAID THAT HONDURAS WOULD NOT BE SO RIDICULOUS AS TO MAKE SUCH AN OFFER.

7. COMMENT: GENERAL LOPEZ WAS OF COURSE REFERRING TO THE STORIES THAT STANDARD AND GOCR ARE NOW DISCUSSING STANDARD'S OFFER TO SELL ITS CR HOLDINGS TO COSTA RICA. LOPEZ REITERATED HIS STRONG WISH THAT HONDURAS MAY SOMEDAY FIND AN ALTERNATIVE CROP TO THE BANANA. LOPEZ BELIEVES THAT ANY COUNTRY BUYING INTO THE BANANA BUSINESS IS BUYING TROUBLE.

8. IN RESPONSE TO MY QUESTION GENERAL LOPEZ SAID HE WAS GENERALLY QUITE PLEASED WITH THE PAST AND CURRENT PERFORMANCES OF HIS CABINET. HE DESCRIBED THE DIFFICULTIES HE HAS HAD WITH TRYING TO KEEP THE PRESS

INFORMED AS TO THE OBJECTIVES OF HIS CABINET AND THE OVERALL ASPIRATIONS OF THE NATIONAL DEVELOPMENT PLAN. HE SAID THAT SOME SEGMENTS OF THE PRESS HAD A PREDISPOSITION TO ATTACK HIS GOVERNMENT AND ITS PROGRAMS AND HINTED THAT SOME OF IT COULD EASILY BE TRACED TO "THE OPPOSITION". HE POINTED OUT INSTANCES IN WHICH IT APPEARED TO SOME OF HIS CABINET MEMBERS THAT THEY WERE BEING SUBJECTED TO CAMPAIGNS FOR THEIR REMOVAL. HE ENDED UP BY SAYING, HOWEVER, THAT MOST OF THESE PROBLEMS WERE ANTICIPATED AND DISCUSSED EARLY IN HIS ADMINISTRATION AND THAT IN THE OVERALL THE PROBLEMS THEY HAD ENCOUNTERED HAD NOT EVEN APPROXIMATED THEIR MOST DIRE PREDICTIONS. COMMENT: THESE OBSERVATIONS WERE ESPECIALLY INTERESTING IN VIEW OF THE CONTINUED RUMORS OF AN IMPENDING CHANGE IN THE LEADERSHIP OF
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THE GOH. THESE RUMORS ALSO TOUCH UPON POSSIBLE CHANGES IN THE CABINET.

SOME OF THE RUMORS OF IMPENDING CHANGE INVOLVE AMBASSADOR ROBERT GALVEZ BARNES. HOWEVER, GENERAL LOPEZ THIS MORNING DESCRIBED AMB. GALVEZ AS BEING QUITE ANXIOUS TO RETURN TO HIS PRIVATE BUSINESS AND QUITE DESERVING OF THE REST WHICH GALVEZ HAD REQUESTED AS FAR BACK AS THE TIME WHEN GENERAL LOPEZ WAS CONSTITUTIONAL PRESIDENT.
SANCHEZ

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